

If the Liquor Act Carries,
Direct Taxation
Must Follow.

The loss of revenue from the liquor interests cannot be made up in any other way—This and depreciation of property and thousands thrown out of employment would cause a depression the effects of which cannot be estimated.

The Province of Ontario is already on the verge of direct taxation. Everything taxable has been taxed. Almost every source of revenue has been tapped, and the passage of the "Liquor Act" would precipitate DIRECT TAXATION.

The Province last year derived in revenue from the liquor trade \$629,000, of which \$250,000 was paid to the municipalities. The distilleries, with one exception, are in this province and the largest number of breweries. The retail trade of Ontario was more than one-half that of the rest of the provinces put together. Not only the liquor

trade would be affected, but the banks, the loan companies, and the financial institutions. The retiring secretary of the Toronto Board of Trade sounded the note of warning to the financial institutions to be up and doing so that their interests would not be sacrificed by any bill such as was proposed to be passed.

All this would be lost by the passage of the "Liquor Act." It would have to be made up by DIRECT TAXATION.

Premier Ross, too, knows how serious a matter it would be should all this revenue be lost to the province, as is evidenced by a speech in the Legislature last Session when he said :—"This bill not only involves serious changes in the operation of the business of a great many people, and a change perhaps in the social organization of many families, but it also means a substantial loss of revenue. . . . We must not be blind to the fact that there will be a substantial loss of revenue. The Province receives between the municipalities and the Provincial Treasury a revenue of about \$700,000 in tavern and shop licenses, and the licenses on distilleries and breweries."

Sir Wilfred Laurier has placed himself on record as declaring emphatically that if prohibition were to come into force a vast amount of revenue would be lost which would have to be made up in some other way, "and," he said, "Direct Taxation is the only source open."

The *Globe* thinks the same. In one of its editorials it said :— "The Premier of Canada has declared, and no one seems to deny, that prohibition means direct taxation." Hon. David Mills holds a similar opinion. He says :—"The greater portion of the loss of revenue can, in my opinion, only be made up by Direct Taxation."

Besides the enormous amount of revenue that would be lost, it would cost millions to enforce the Liquor Act. There would be an immense amount of territory to guard so that it may readily be seen what a vast army of paid officials would have to be constantly

employed to even make an attempt to enforce the law. All this would, cost large sums of money and when it is remembered that, \$700,000 the amount now received in license from taverns and shops and breweries and distilleries, would be entirely lost, it is very easy to see what a costly thing the passage of this Liquor Act would be to the people of this province. And it may very pertinently be asked Where is all this loss to be made up from? The answer is, by Direct Taxation. The finances of the municipalities as well as the province would also be disorganized by it. The revenue they receive from the liquor interests is no small amount to be reckoned with and the rate-payers would have to be taxed in an extra amount in order to make up the deficiency caused by the withdrawal of the license moneys, whereas if the present licensed system is allowed to remain as it is their burdens will not be increased, while the restrictions of the traffic will be so enforced as to secure sobriety and good order in a far more effective way than by the Liquor Act, which admittedly could not be enforced.

If there were any certainty that the Liquor Act would check intemperance; if there were any assurance that it would do good a brave effort might be made by the people to bear the burden. But all experience, all history teaches that prohibitory laws have failed wherever tried. Everywhere the story is the same. Prohibitory laws fail to prohibit.

Every voter has imposed upon him a grave responsibility when called upon to decide whether he shall dismiss the present system and set up in its stead free whiskey and secret drinking, which in addition, will bring in its wake Direct Taxation. The country would groan under this burden. The lot of the poor man would be made doubly hard. Ontario with its attractiveness as a place for immigration and for thousands of visitors during the summer season, would be seriously handicapped.

Prohibition would ruin our distilleries, which bear so large a burden of taxation, and also our breweries and alcohol would take the place of malt liquor as was the case in the Scott Act counties. Licensed saloons would be shut and in their place would spring up unlicensed dens, unchecked by inspection, where the quality of the drink would deteriorate and the associations would be contaminating. Whether prohibitory laws are viewed from moral or financial standpoints they are altogether bad.

From a financial point of view alone the Liquor Act would be ruinous to the country. The moment a prohibitory law is passed that immense amount of revenue which is now derived from the liquor interests would be immediately cut off. There is no source from which this can be raised, except Direct Taxation. The withdrawal and displacement of so much capital, which is the effect of prohibition, will have a depressing influence on all forms of business. Young men will be forced to alien lands to seek fields for their energy denied them at home. Heavy direct taxes and a "dry" country will effectively frighten immigration from our shores. The financial outlook is as gloomy as the moral prospect. Prohibition means pecuniary loss and increased drunkenness.

In short the passing of the "Liquor Act" means Direct Taxation, and the way to guard against Direct Taxation is to vote against The Liquor Act.





